

Dennis F. Dunne
Evan R. Fleck
Dennis C. O'Donnell
MILBANK, TWEED, HADLEY & M^cCLOY LLP
1 Chase Manhattan Plaza
New York, New York 10005
Telephone: (212) 530-5000

Counsel for Official Committee of Unsecured
Creditors of Lehman Brothers Holdings Inc., et al.

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re:	:	Chapter 11 Case No.
	:	
LEHMAN BROTHERS HOLDINGS INC., <u>et al.</u> ,	:	08-13555 (JMP)
	:	
Debtors.	:	(Jointly Administered)
	:	
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**STATEMENT OF OFFICIAL COMMITTEE OF UNSECURED
CREDITORS IN CONNECTION WITH MOTION OF LEHMAN
BROTHERS HOLDINGS INC. AND LEHMAN COMMERCIAL
PAPER INC. PURSUANT TO SECTION 363 OF THE BANKRUPTCY
CODE TO AMEND THE RACERS TRANSACTION DOCUMENTS AND
TERMINATE CERTAIN RACERS TRANSACTION DOCUMENTS**

The Official Committee of Unsecured Creditors (the “Committee”) appointed in the chapter 11 cases of Lehman Brothers Holdings Inc. (“LBHI”) and each of its affiliated debtors in possession (collectively, the “Debtors”), hereby files this statement (the “Statement”) in connection with LBHI’s and Lehman Commercial Paper Inc.’s (“LCPI”) motion, dated July 27, 2010 [Docket No. 10464] (the “Motion”), pursuant to section 363 of the Bankruptcy Code, for authorization to amend and/or terminate certain of the RACERS Transaction Documents.¹

¹ Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Motion.

STATEMENT

1. The Committee concurs in the Debtors' view that termination of the Participation Agreement and the Control Agreement and amendment of the other RACERS Transaction Documents are in the best interests of the Debtors and their estates. The Underlying Assets require active management because in many cases the loans associated with them are in default and in other cases the Debtors believe opportunities may exist to sell such assets. The Committee has worked closely with the Debtors on several restructurings and sales involving the Underlying Assets and, by virtue of this experience, recognizes that the Debtors have sometimes been unable to efficiently manage the Underlying Assets where proposed transactions arguably required approval from third-parties such as U.S. Bank.

2. Accordingly, the Committee believes that the proposed termination of the Participation Agreement and Control Agreement and amendment of the other RACERS Transaction Documents would streamline the management of the Underlying Assets by allowing LCPI to manage or liquidate the Underlying Assets without obtaining authorization from third parties and would, therefore, aid the Debtors in their efforts to maximize the value of their estates.

3. The Committee also believes that the relief requested in the Motion should be granted notwithstanding the fact that a number of parties, including several Lehman affiliates, have legitimate claims to the Underlying Assets, the RACERS MM Notes, and/or the Certificates. The objective of the Motion is operational – streamlining the management of the Underlying Assets so that their value to all of the Debtors' estates can be maximized. Issues of legal title and the resultant entitlement to the proceeds of these assets will be addressed later, as part of an ongoing intercompany and third-party claims reconciliation process. The reservation of

rights set forth in the proposed order approving the Motion, as further amplified in the amended form of order the Debtors intend to file prior to the hearing on the Motion, fully addresses the preservation of these issues for another day. Indeed, the relief requested in the Motion does not entail any waiver or relinquishment of any rights and remedies that any Debtor or other party in interest (including LBI) may have or may choose to assert under any provision of the Bankruptcy Code or any applicable law, including against each other or third parties.

WHEREFORE, the Committee respectfully submits that (i) it has no objection to the relief requested in the Motion; (ii) the Court should grant the requested relief; and (iii) the Court should grant such other relief as is just.

Dated: New York, New York
August 13, 2010

MILBANK, TWEED, HADLEY & M^cCLOY LLP

By: /s/ Dennis F. Dunne
Dennis F. Dunne
Evan R. Fleck
Dennis C. O'Donnell
1 Chase Manhattan Plaza
New York, New York 10005
Telephone: (212) 530-5000

Counsel for Official Committee of Unsecured
Creditors of Lehman Brothers Holdings Inc., et al.